



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

November 15, 2002

In re application of : Robert M. Carmichael
Serial No. : 09/730,116
Filed : December 5, 2000
For : **ACTIVE CONTROL RELEASABLE BALLAST
SYSTEM FOR USE WITH DIVE EQUIPMENT**
Examiner : Ajay Vasudeva
Art Unit : 3617
Our File No. : 9297.6817

PETITION

Hon. Commissioner of Patents and Trademarks
Washington, D.C.

1. Applicant, pursuant to 37 C.F.R. §§1.181-1.183, hereby Petitions for permission to claim priority to U.S. Application No. 09/628,836 ('836 Application) in the above-identified application (09/730,116) and to be listed as a co-inventor in the '836 Application.

2. By Agreement, executed by Applicant on April 18, 2001, between Applicant and the Assignee of the '836 Application ("Agreement"), the Assignee was required to correct the inventorship for the '836 Application by adding Robert Carmichael as a co-inventor (See Paragraph 2.1). A copy of the Agreement is attached hereto as Exhibit A.

3. As also seen in the Agreement, it was intended that Carmichael's instant '116 application would claim priority to the '836 Application. See Paragraph 2.2.

4. Rather, than filing a Petition to correct the inventorship in the '836 Application, the Assignee of the '836 Application, relying on MPEP §201.03¹, filed a **continuation** application

¹ MPEP §201.03 in pertinent states: Correction of inventorship may also be obtained by the filing of a continuing application under 37 CFR 1.53 without the need for filing a request under 37 CFR 1.48, either in the application containing the inventorship error (to be abandoned) or in the continuing application. The continuing application must be filed with the correct inventorship named therein. The filing of a continuing application to correct the inventorship is appropriate if

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(09/916,414) on July 26, 2001, listing both Sergio Angellini and Robert M. Carmichael as co-inventors.

5. As seen by Exhibit B, the '414 Application was published on January 31, 2002, listing Carmichael as a co-inventor.

6. The '414 Application is a straight continuation application (i.e. no new matter) of the earlier '836 application.

7. The disclosures (specifications) in the '414 application and the earlier '836 application are the same.

8. Though not currently listed on the earlier '836 Application, Carmichael is also a co-inventor of the subject matter contained in the '836 application.

9. A significant portion of the disclosure in Carmichael's instant '116 application overlaps and is the same as most of the disclosure in the '836 Application.

10. The '836 Application was pending at the time of filing of Carmichael's '116 Application (December 5, 200).

11. At the time of filing the '414 Application, the Assignee of the '414 Application, expressly abandoned the earlier '836 application, believing that goals of the Agreement could be accomplished by the naming Carmichael as a co-inventor in the '414 continuation application.

12. Accordingly, to avoid unnecessary and complicated 35 U.S.C. §102(f) issues and also to avoid needless and expensive interference litigation in the PTO, Applicant respectfully requests and Petitions for permission to claim priority to the earlier '836 Application, despite the fact that Applicant currently is not listed as a co-inventor in the '836 Application, but only in the '414

at least one of the correct inventors has been named in the prior application (35 U.S.C. 120 and 37 CFR 1.78(a)(1)). That is, at least one of the correct inventors must be named in the executed oath or declaration filed in the prior application, or where no executed oath or declaration has been submitted in the prior application but the names of the inventors were set forth in the application papers pursuant to 37 CFR 1.41(a)(1). Where the names of the inventors are to be added, correction of inventorship can be accomplished by filing a continuing application under 37 CFR 1.53(b) with a newly executed oath or declaration under 37 CFR 1.63(a). Where the name of an inventor(s) is to be deleted, applicant can file a continuing application with a request for deletion of the name of the inventor(s). The continuing application may be filed under 37 CFR 1.53(b) or 37 CFR 1.53(d).

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Serial No.: 09/730,116
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continuation application to the '836 Application. Applicant also respectfully requests and Petitions to be listed as a co-inventor in the '836 Application, even though such application has been expressly abandoned.

13. The above requested relief is necessary to fully protect Applicant's rights and to permit the intentions of the parties to the Agreement to be fully realized.

14. In view of the above, attached exhibits and in the interest of justice, Applicant respectfully requests that this Petition be Granted and all necessary relief be given to Applicant.

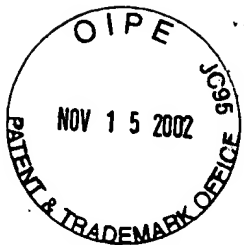
15. Applicant is enclosing herewith a check for the Petition Fee.

16. If there are any additional charges, including extension of time, please bill our Deposit Account No. 13-1130.

Respectfully submitted,



Daniel S. Polley, Reg. No. 34,902
Malin, Haley & DiMaggio, P.A.
1936 South Andrews Avenue
Fort Lauderdale, Florida 33316
(954) 763-3303



SETTLEMENT, RELEASE AND LICENSE AGREEMENT

This Agreement is executed this _____ day of _____, 2001 (the "Effective Date") between and amongst Johnson Outdoors Inc., its affiliates, subsidiaries, divisions and assignees (dba SCUBAPRO) (hereafter referred to as "JOI") and Trebor Industries, Inc., its affiliates, subsidiaries, divisions and assignees (dba BROWNIES THIRD LUNG and HALCYON), Halcyon Manufacturing, Inc., its affiliates, subsidiaries, divisions and assignees, and Robert M. Carmichael residing at 2124 N.E. 24th Street, Wilton Manors, Florida 33305, (Trebor Industries, Inc., Robert M. Carmichael and/or Halcyon Manufacturing, Inc., jointly and severally referred to as "BTL").

WHEREAS, BTL has alleged that JOI breached a nondisclosure agreement executed between the parties on December 16, 1999, and whereas JOI commenced an action against Trebor Industries, Inc., Robert M. Carmichael and Joseph R. Sink on January 16, 2001, in the United States District Court, Northern District of Florida, Gainesville Division, under the caption Johnson Outdoors Inc., F/K/A Johnson Outdoors Worldwide Associates v. Trebor Industries, Inc., Robert M. Carmichael, Joseph R. Sink, Case No. 1:01 CV6 MMP (the "Pending Action"), wherein JOI requested a declaratory judgment that JOI had not breached the nondisclosure agreement;

WHEREAS, JOI and BTL desire to settle and release each other from all claims relating to a buoyancy compensator weight release system employing a side-release buckle;

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WHEREAS, JOI owns the entire right, title and interest to U.S. Patent Application Serial No. 09/628,836 which was filed on July 31, 2000 and currently names Sergio A. Angelini as inventor;

WHEREAS, BTL owns the entire right, title and interest to U.S. Patent Application Serial No. 09/730,116 which was filed on December 5, 2000 and names Robert M. Carmichael as inventor;

WHEREAS, BTL has asserted that Robert M. Carmichael should be named as an inventor in U.S. Patent Application Serial No. 09/628,836;

WHEREAS, JOI has agreed to amend the claims and attempt to add Robert M. Carmichael as a co-inventor, provided that Robert M. Carmichael or his assignee shall assign his and/or its entire right, title and interest to U.S. Patent Application Serial No. 09/628,836 to JOI such that JOI shall own the entire right, title and interest to U.S. Patent Application Serial No. 09/628,836, exclusive of the BTL Patents;

WHEREAS, JOI has agreed to grant BTL an exclusive license to limited inventions/technology disclosed in U.S. Patent Application Serial No. 09/628,836, provided that JOI shall reserve a nonlicensable, nontransferable right to the same limited inventions/technology disclosed in U.S. Patent Application Serial No. 09/628,836 to commercialize certain products sold using trademarks owned by JOI;

WHEREAS, BTL has agreed to grant JOI an exclusive license to limited inventions/technology disclosed in U.S. Patent Application Serial No. 09/730,116 in return for

a royalty, provided that BTL shall reserve a nonlicensable, nontransferable right to the same limited inventions/technology disclosed in U.S. Patent Application Serial No. 09/730,116 to commercialize certain products sold using the BROWNIES THIRD LUNG, BROWNIES or HALCYON trademarks;

WHEREAS, BTL currently has an outstanding account balance owed to JOI and whereas BTL has agreed to pay JOI any remaining account balance owed to JOI as of December 31, 2001 such that the account balance owed to JOI by BTL shall be zero as of March 31, 2002;

NOW, THEREFORE, in consideration of the covenants contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "BTL Patents" shall mean U.S. Patent Application Serial No. 09/730,116, and any continuations, continuations-in-part, divisionals, foreign applications, reexams, reissues or extensions thereof and any patent(s) issuing therefrom. "BTL Patents" shall also mean any patent or patent application, naming Robert M. Carmichael as an inventor, but not owned at least in part by JOI, that claims priority from U.S. Application Serial No. 09/628,836.

1.2 "JOI Patent(s)" shall mean U.S. Application Serial No. 09/628,836, and any continuations, divisionals, continuations-in-part, reissues or extensions thereof and any patent(s) issuing therefrom. The "JOI Patent(s)" shall not include any application or patent falling under the definition of the "BTL Patents".

1.3 "JOI Technology" shall mean any technology or information disclosed in the U.S. Application Serial No. 09/628,836 which is not disclosed in the U.S. Application Serial No. 09/730,116.

1.4 For purposes of this Agreement only, "Mutual Technology" shall mean any technology or information that is disclosed in both the U.S. Application Serial No. 09/628,836 and the U.S. Application Serial No. 09/730,116 to the extent that the technology disclosures are coextensive.

1.5 For purposes of this Agreement only, "BTL SRB Technology" shall mean any technology or information that is disclosed in the U.S. Application Serial No. 09/730,116, that is not disclosed in the U.S. Application Serial No. 09/628,836 and that relates specifically to the use of a buoyancy compensator having a weight release system utilizing a side-release buckle to connect a weight, ballast or weight or ballast carrying member to the buoyancy compensator wherein the weight release system is disposed in the side and/or frontal waist area of the buoyancy compensator.

1.6 "BTL Non-SRB Technology" shall mean any technology or information disclosed in the U.S. Application Serial No. 09/730,116 excluding the BTL SRB Technology and the Mutual Technology.

1.7 "SRB System Accessories" shall mean replacement or accessory components including weights or ballast, positioning plates and weight-holding devices that are directly attached to a strap and one portion of a side-release buckle. An example of an SRB System Accessory is the accessory consisting of components 56, 60 and 64 in Figure 7 of U.S. Application Serial No. 09/730,116. SRB System Accessories shall not include a buoyancy

compensator or a female drop weight receiving pocket of the buoyancy compensator that is permanently formed as part of or releasably mounted to the buoyancy compensator.

1.8 "Know How Royalty Bearing Product" shall mean any buoyancy compensator sold by JOI, on or before December 31, 2002, in any jurisdiction distributed through Scubapro North America, including, but not limited to, the United States of America, Canada, Mexico, Central America, South America, and all Caribbean Islands (all of which are hereinafter referred to as ("North America")) that has a weight release system utilizing a side-release buckle having a first portion secured to a buoyancy compensator for use with a second portion secured to a weight or weight carrying member, wherein the side-release buckle connects the weight or weight carrying member to the buoyancy compensator when its portions are interconnected. Examples of current buoyancy compensators sold by JOI which constitute Know How Royalty Bearing Products include: Lady Hawk, Night Hawk, and Classic Plus . Know How Royalty Bearing Products shall include SRB Systems Accessories and exclude any returns or promotional buoyancy compensators.

1.9 "Post-Grant Patent Royalty Bearing Product" shall mean any buoyancy compensator sold in a jurisdiction by JOI , that incorporates Mutual Technology and/or BTL SRB Technology and that (A) is covered by at least one issued claim of either: (1) at least one BTL Patent in the jurisdiction or (2) at least one JOI Patent in the jurisdiction, wherein each element, including equivalents, and its corresponding limitations of the claim of the JOI Patent are fully disclosed in U.S. Application Serial No. 09/730,116 filed by BTL on December 5, 2000 and (B) such that the buoyancy compensator being sold by JOI would otherwise be infringing the BTL Patent or the JOI Patent(s) if such patent(s) were held by third

parties. Post-Grant Patent Royalty Bearing Product(s) shall include SRB Systems Accessories and exclude any returns or promotional buoyancy compensators.

1.10 "Pre-Grant Patent Royalty Bearing Product" shall mean any buoyancy compensator sold by JOI , in a jurisdiction that allows for the recovery of damages for products sold after publication of a patent application but prior to its grant, wherein the buoyancy compensator sold by JOI in the jurisdiction is (A) sold by JOI in the jurisdiction during the post-publication, pre-grant period, (B) is covered by a granted claim of either (1) at least one BTL patent in the jurisdiction or (2) at least one JOI patent in the jurisdiction, wherein each element, including equivalents, and its corresponding limitations of the claim of the JOI patent are fully disclosed in U.S. Application Serial No. 09/730,116 filed by BTL on December 5, 2000 and (C) wherein the claim qualifies for publication damages under the laws of the jurisdiction. Pre-Grant Patent Royalty Bearing Product(s) shall include SRB Systems Accessories and exclude any returns or promotional buoyancy compensators.

2. PROSECUTION OF BTL PATENTS AND JOI PATENTS

2.1 JOI shall prepare and file, with the cooperation and assistance of BTL, a request for correction in inventorship under 37 CFR § 1.48 to add Robert M. Carmichael as a coinventor in U.S. Application Serial No. 09/628,836. Within 30 days the following receipt of notice from the U.S. Patent and Trademark Office that Robert M. Carmichael has been added as a co-inventor in U.S. Application Serial No. 09/628,836, Robert M. Carmichael and/or BTL shall assign the entire right, title and interest to U.S. Application Serial No. 09/628,836 not held by JOI to JOI such that JOI shall own the entire right, title and interest to U.S. Application Serial No. 09/628,836 including any patent issuing

therefrom, and any continuations, divisionals, reexams, reissues or extensions thereof, exclusive of the BTL Patents.

2.2 BTL shall have the right, at its own expense, and in its own discretion, to prepare, file, prosecute and maintain U.S. and non-U.S. patent applications and patents claiming priority from the BTL Patent(s) or the JOI Patent(s).

2.3 JOI shall have the first right, at its own expense, and in its sole discretion, to prepare, file, prosecute and maintain U.S. and non-U.S. patent applications and patents claiming priority from the JOI Patent(s). BTL and JOI agree to promptly supply each other with a complete copy of any BTL Patent or JOI Patent it elects to file within 30 days after the filing of the application. BTL and JOI further agree to promptly furnish the other with copies of all communications received from or sent to the U.S. Patent and Trademark Office or a foreign patent office concerning any BTL or JOI Patents within 30 days from receipt or mailing of such communications.

2.4 Each party shall retain complete control and discretion over any application it has filed or elects to file, except for as provided herein. In particular, each party shall retain complete control and discretion over prosecution and/or maintenance/annuity decisions regarding any application it has filed or elects to file, except for as provided herein. If overlapping claimed subject matter exists between the BTL Patent(s) and the JOI Patent(s), those overlapping claims entitled to an earlier filing date shall prevail and those overlapping claims not entitled to an earlier filing date shall either be canceled or otherwise amended to overcome the double patenting rejection or to avoid provoking an interference proceeding.

2.5 Each of the parties hereto forthwith upon the request from the other shall execute and deliver such documents and take such actions as may be reasonably requested in order to fully carry out the intent and purposes of this Agreement, including, but not limited to, access to obtain certified copies of any filed documents from government agencies, such as filed patent applications for use as priority documents in foreign filings.

3. GRANTS

3.1 BTL grants and agrees to grant to JOI an exclusive nontransferable nonsublicensable right and license under all BTL Patents, for the life of such patents, to make, have made, use, sell and offer for sale buoyancy compensators incorporating Mutual Technology or BTL SRB Technology, provided that BTL reserves the nontransferable, nonlicensable right to make, have made, use, sell and offer for sale any product incorporating Mutual Technology or BTL SRB Technology that are marketed and sold under the BROWNIES THIRD LUNG, BROWNIES or HALCYON trademarks. BTL grants and also agrees to grant to JOI a non-exclusive nontransferable nonsublicensable right and license under all BTL Patents, for the life of such patents, to make, have made, use, sell and offer for sale SRB System Accessories incorporating Mutual Technology or BTL SRB Technology, provided that BTL reserves the nontransferable right to nonexclusively license to third parties under the BTL Patent(s) the rights for the manufacture and sale of SRB System Accessories. The scope of the license granted by BTL in this Section 3.1 shall not extend to products incorporating BTL Non-SRB Technology. Any sale of SRB System Accessories by JOI, sold separate from the buoyancy compensator, are on a non-exclusive basis and will also be subject to the same royalty payments to BTL provided herein.

3.2 JOI hereby grants and agrees to grant to BTL an exclusive non-transferable, nonsublicensable right and license under all JOI patent(s), for the life of such patents, to make, have made, use, sell and offer for sale any product incorporating Mutual Technology, provided that JOI shall reserve a nontransferable, nonsublicensable right to make, have made, use, sell and offer for sale buoyancy compensators or SRB System Accessories incorporating Mutual Technology which is marketed and sold under trademarks owned by JOI including, but not limited to, SCUBAPRO. The scope of the license granted by JOI in this Section 3.2 shall not extend to products incorporating JOI Technology.

3.3 The exclusive license provided to JOI by BTL in Section 3.1 shall immediately convert into a non-exclusive license in the event that JOI begins manufacturing, sells, advertises, distributes, markets and/or offers for sale in "North America" a buoyancy compensator or SRB System Accessories that does not incorporate at least a portion of a side-release buckle to connect a weight, ballast or weight or ballast carrying member to the buoyancy compensator wherein the weight release system is disposed in the side and/or frontal waist area of the buoyancy compensator. This conversion to a non-exclusive license in North America shall not be triggered for sales by JOI in "North America" of buoyancy compensators that do not contain any portion of a weight release system or do not have the ability to releasably attach a portion of a weight release system.

4. PAYMENTS

4.1 Upon execution of this Agreement, JOI shall pay BTL \$10,000 U.S. JOI shall further provide BTL a \$40,000 U.S. credit towards the purchase of SCUBAPRO products. Also upon execution, JOI shall immediately provide BTL with an

accounting of all sales and relevant information for buoyancy compensators and SRB Systems Accessories sold to date by JOI which fall under the license provided by BTL to JOI. All royalties owed for these preagreement sales shall also be first credited against any balance owed by BTL to JOI.

4.2 During the Term of this Agreement, JOI shall pay BTL \$2.00 U.S. for each Know How Royalty Bearing Product and for each Post-Grant Patent Royalty Bearing Product.

4.3 During the Term of this Agreement, JOI shall pay BTL \$1.75 U.S. for each Pre-Grant Patent Royalty Bearing Product.

4.4 Where a product falls under both the definition of Know How Royalty Bearing Product and Post-Grant Patent Royalty Bearing Product, only a single payment of \$2.00 for the product will be owed to BTL by JOI, despite the double classification. Where a product falls under both the definition of Know How Royalty Bearing Product and Pre-Grant Patent Royalty Bearing Product, only a single payment of \$2.00 for the product will be owed to BTL by JOI, despite the double classification.

4.5 JOI shall render quarterly accountings to BTL within thirty (30) days of the close of each quarter based on JOI's fiscal year ending on September 30, indicating the number of Know How Royalty Bearing Products, Pre-Grant Patent Royalty Bearing Products and Post-Grant Patent Royalty Bearing Products sold in the prior quarterly period, until expiration of the Agreement. All return and promotional products excluded from the Know How Royalty Bearing Products, Pre-Grant Patent Royalty Bearing Products and Post-Grant Patent Royalty Bearing Products shall be aggregated and included in the quarterly

accounting. In the event, however, that no Know How, Pre-Grant or Post-Grant Royalty Bearing Products have been sold during the preceding quarterly period, a simple statement shall be provided that no Royalty Bearing Products have been sold during the preceding quarterly period.

4.6 No more frequently than twice a year or within thirty (30) days of the date of the quarterly accounting per Section 4.4, BTL shall have the right to verify the accounting rendered by JOI. Such a verification, if undertaken, shall be conducted by an independent public accountant reasonably satisfactory to JOI. Upon at least thirty (30) days written notice, JOI shall provide access to all necessary records requested by such accountant to verify the accuracy of the accounting. Such records shall be provided at JOI's place of business during normal business hours. All fees and charges of such accountant shall be borne by BTL, unless such accountant determines that an error exists in the accounting rendered by JOI if such error deviates by at least \$500 U.S., for any quarterly period, in which event the cost of such accounting shall be borne by JOI.

4.7 Simultaneously with the making of each accounting provided for in Section 4.4, JOI agrees to pay for the quarterly period covered by such report, the royalties provided for in Sections 4.2 and 4.3, provided that any accumulated royalties shall first be applied against any account balance owed to JOI by BTL. Where reasonable, the quarterly periods will be made to coincide with the date BTL is invoiced by JOI for BTL's purchase of JOI's products.

4.8 Notwithstanding any other provision in this Agreement, BTL shall pay JOI any remaining account balance owed to JOI as of December 31, 2001, such that the account balance owed to JOI by BTL is zero as of March 31, 2002.

4.9 Any accountings or payments required under this Section 4 shall be delivered by JOI to the following designee of BTL at the following address:

Robert Manual Carmichael
2124 N.E. 24th Street
Wilton Manors, Florida 33305

4.10 The acceptance of the foregoing licenses provided by BTL or the payment of any royalty or other compensation by JOI to BTL with respect to any product shall in no way constitute an admission by JOI that such product comes within the scope of the BTL Patent(s) or that such patents are valid or enforceable against JOI or its customers.

5. INFRINGEMENT BY OTHERS

5.1 The parties shall promptly provide each other with written notice of any known or discovered third party infringement of any of the BTL Patents or the JOI Patents.

5.2 JOI shall have the first right, but not the obligation, to take appropriate action at its own expense to suppress suspected infringement of the JOI Patents. Such action includes, but is not limited to, prosecuting an action against any suspected infringer. JOI shall further be entitled to join BTL as party plaintiff and BTL will be obligated to reasonably assist JOI in such action involving infringement of the JOI Patents, with all attorney fees, costs and expenses incurred by BTL paid by JOI. JOI shall control the prosecution and any settlement thereof. Prior to taking action to suppress suspected

infringement of the a JOI Patent, JOI shall provide notice to BTL of its intent. If the suspected infringement of the JOI Patent relates only to Mutual Technology, for a period of 30 days after receiving such notice from JOI, BTL shall have the option to join in such action by notifying JOI, wherein the reasonable costs and attorneys' fees, and any recoveries resulting from such action, shall be apportioned between JOI and BTL based upon the average market share held by JOI and BTL for buoyancy compensators incorporating the Mutual Technology. JOI shall have complete control over such action to suppress suspected infringement of the JOI Patent(s). If BTL does not join in such action or does not have the option to join in such action, JOI shall be entitled to all recoveries from the infringer.

5.3 If JOI should fail to take any action under Section 5.2 to suppress suspected infringement of the JOI Patent(s) within six (6) months after receiving written notice from BTL under Section 5.1, BTL shall have the right, but not the obligation, to take appropriate action at its own expense to suppress suspected infringement of the JOI Patent(s) if such infringement relates only to Mutual Technology. BTL shall further be entitled to join JOI as party's plaintiff and JOI will be obligated to reasonably assist BTL in such action. BTL shall be entitled to all recoveries from such action.

5.4 JOI shall have the first right, but not the obligation, to take appropriate action at its own expense to suppress suspected infringement of the BTL Patents where the suspected infringement relates only to the licensed Mutual Technology or BTL SRB Technology. Such action includes, but is not limited to, prosecuting an action against any suspected infringer. JOI shall further be entitled to join BTL as party plaintiff and BTL will be obligated to reasonably assist JOI in such action involving infringement of the BTL Patents,

with all attorney fees, costs and expenses incurred by BTL paid by JOI, however, JOI shall have complete control over such action to suppress suspected infringement of the BTL Patents. Prior to taking appropriate action to suppress suspected infringement of a BTL Patent, JOI shall provide notice to BTL of its intent. Within 30 days of receiving such notice from JOI, BTL shall have the option to join in such action by notifying JOI, wherein the reasonable costs and attorneys' fees and any recoveries resulting from such action shall be apportioned between JOI and BTL based upon the average market share held by JOI and BTL for buoyancy compensators incorporating the Mutual Technology or BTL SRB Technology. If BTL joins in such action, JOI and BTL shall jointly control any action to suppress suspected infringement of the BTL Patent(s) including prosecution and any settlement thereof. If BTL does not join in such action, JOI shall be entitled to all recoveries from the infringer.

5.5 If JOI should fail to take any action under Section 5.4 to suppress suspected infringement of the BTL Patent(s) within six (6) months after receiving written notice from BTL under Section 5.1, BTL shall have the right, but not the obligation, to take appropriate action at its own expense to suppress suspected infringement of the BTL Patent(s). BTL shall further be entitled to join JOI as party's plaintiff and JOI will be obligated to reasonably assist BTL in such action involving infringement of the BTL Patents, with all attorney fees, costs and expenses incurred by JOI paid by BTL, however, BTL shall have complete control over such action to suppress suspected infringement of the BTL Patents. BTL shall be entitled to all recoveries from such action.

6. REPRESENTATIONS AND WARRANTIES

6.1 BTL covenants, represents and warrants: (a) that it is the exclusive owner of all rights, title and interest in and to the BTL Patent(s); (b) that there is no other person, firm, corporation or other entity having any title or interest in our license which would adversely affect the full enjoyment by JOI of licenses granted hereunder; (c) that there are no outstanding options, licenses or agreements of any kind relating to the BTL Patents or the technology relating thereto; (d) that BTL has the full power to grant the rights, licenses, options and privileges herein given; and (e) that BTL can perform as set forth in this Agreement without violating the terms of any agreement BTL has with any third party.

6.2 JOI covenants, represents and warrants: (a) that it is the exclusive owner of all rights, title and interest in and to the JOI Patents; (b) that there is no other person, firm, corporation or other entity having any title or interest which would adversely affect the full enjoyment by BTL of licenses granted hereunder; (c) that there are no outstanding options, licenses or agreements of any kind relating to the JOI Patent(s) or the technology relating thereto; (d) that JOI has the full power to grant the rights, licenses, options and privileges herein given; and (e) that JOI can perform as set forth in this Agreement without violating the terms of any agreement JOI has with any third party.

7. ASSIGNABILITY

7.1 Neither party shall assign this Agreement, without the written consent of the other party, except as incident to a merger, consolidation, reorganization, or acquisition of stock or assets affecting substantially all of the assets or actual voting control of the assigning party.

8. TERM AND TERMINATION

8.1 This Agreement shall commence on the Effective Date and expires with the expiration of the last duty to pay royalties under Section 4.

8.2 Each party may terminate this Agreement for breach of any of the terms of the Agreement, by giving written notice and detailing the actions or omissions constituting breach. The other party shall have thirty (30) days to cure or take any substantial steps to cure such breach. If the other party fails to cure or take substantial steps to cure such breach and to so inform the first party in writing within the 30-day period, this Agreement shall terminate without additional notice. Upon termination, JOI will immediately discontinue all use, sales, distribution, manufacturing, marketing, and offer of sales of buoyancy compensators or SRB System Accessories licensed under this Agreement. Subject to the payment of royalties and rendering of accountings, JOI will be permitted to sell off or exhaust any remaining inventory of licensed buoyancy compensators or SRB System Accessories after the date of termination provided that JOI provides BTL with Notice within thirty days after termination of the amount of licensed buoyancy compensators and SRB System Accessories in inventory. Also subject to the payment of royalties and rendering of accountings, JOI will also be permitted to manufacture and distribute licensed buoyancy compensators or SRB System Accessories after the date of termination to fulfill any customer commitments for the then current season (i.e. the following October 31st).

8.3 If one party is prevented from performance by a force majeure, the party shall notify the other party in writing and performance shall be excused during the force majeure. The force majeure shall include national disasters, government actions,

embargoes and the like, but shall not include failure to perform due to business decisions of the other party.

8.4 Any duties or obligations that have accrued, including accrued royalties, shall survive termination or expiration.

9. DISMISSAL AND RELEASE

9.1 As further consideration for the above, JOI shall, within twenty (20) days following execution of this Agreement, dismiss the Pending Action with prejudice. By this Agreement, the parties authorize their respective counsel to prepare all of the necessary documents to effectuate such a dismissal.

9.2 BTL hereby releases and waives all claims that it now has or may have against JOI, its subsidiaries, divisions, directors, officers, employees, agents, licensees, affiliates, customers, distributors, and insurers from and against any claim arising out of the manufacture, sale or other commercialization of a buoyancy compensator having a weight release system utilizing a side-release buckle to connect a weight or ballast to the buoyancy compensator wherein the weight release system is disposed in the side and/or frontal waist area of the buoyancy compensator.

10. MISCELLANEOUS

10.1 This Agreement constitutes the entire understanding and agreement of and between the parties with respect to the subject matter and supersedes all prior representations and agreements. This Agreement shall not be modified or varied by any oral agreement or representation or otherwise, except by an instrument in writing of subsequent date hereto duly executed by the parties. The parties acknowledge that the language used in

this Agreement reflects their mutual intent and that no term or provision shall be construed more or less favorably to any party on the ground that it was authored by such party. Failure of either party to insist upon strict performance and any of the covenants, terms or conditions of this Agreement should not be deemed to be a waiver of any breach or default in the performance of the same or any other covenant, term or condition contained therein.

10.2 The waiver of any breach of this Agreement by either party hereto shall in no event constitute a waiver as to any future breach similar in nature.

10.3 This Agreement shall be governed by the laws of the State of Florida, without regard to its conflict of interest laws. All disputes hereunder shall be resolved in the applicable state or federal courts of Broward County, Florida. The parties consent to the jurisdiction of such courts, agree to accept service of process by mail, and waive any jurisdictional or venue defenses otherwise available.

10.4 The prevailing party, in any action to enforce any of the terms of this Agreement, shall be entitled to recover expenses, including reasonable attorneys' fees and costs, from the other party.

10.5 With respect to any part or provision of this Agreement as deemed by a court to be unenforceable as written, but may be rendered enforceable by limitation thereof, the parties hereto agree that such part or provision shall be amended in such a manner so as to render it enforceable to fullest permitted under the law of the jurisdiction which enforcement is sought.

10.6 Any notices required under this Agreement shall be in writing but may be given by any method of delivery which provides evidence or confirmation of receipt,

including personal delivery, express carrier (such as Federal Express), telecopy, and prepaid certified or registered mail with return receipt requested. Notices shall be deemed to have been given and received on the date of actual receipt or, if either of the following dates is applicable and is earlier, then on such earlier date: one (1) business day after sending, if sent by telecopy or express carrier; or seven (7) business days after deposit in the U.S. mail, if sent by certified or registered mail. Any party may change its address for the purpose of this section beginning written notice to such change to the other party in the manner herein provided. Notices shall be given or addressed to the respective parties at the following addresses:

To:

Robert Manual Carmichael
2124 N.E. 24th Street
Wilton Manors, Florida 33305

To:

Johnson Outdoors Inc., dba Scubapro

Attn: Joseph B. Stella
President and General Manager
1166-A Fesler Street, El Cajon, CA 92020

Copy to:

Daniel S. Polley
Malin, Haley & DiMaggio, P.A.
1936 South Andrews Avenue
Fort Lauderdale, Florida 33316

Copy to:

Foley & Lardner

777 E. Wisconsin Avenue
Milwaukee, WI 53212
Attn: Todd A. Rathe

10.7 Neither party of this Agreement grants the other party any rights in any patents, copyrights, trademarks or trade names of such party other than those rights specifically set out in this Agreement.

10.8 Notwithstanding the provisions of this Agreement, JOI reserves the right to challenge the validity of any issued claim of any BTL Patent(s). Any challenge by JOI does not obviate JOI's obligations to make all required royalty payments and accountings owed to BTL.

10.9 Notwithstanding any provision of this Agreement, JOI further reserves the right to request a reexamination of any of the BTL Patent(s) or JOI Patent(s). Any challenge by JOI does not obviate JOI's obligations to make all required royalty payments and accountings owed to BTL.

10.10 Nothing in this Agreement shall be construed as making either party the partner, joint venturer, agent, employer or employee of the other party. Neither party shall have the authority to make any statements, representations, or commitments of any kind, or to take any action which shall be binding on the other, except as provided for herein or authorized in writing by the party to be bound.

10.11 The signature of either party's representative constitutes an express representation that said representative has the authority to bind that party to the terms of this Agreement and that the Agreement is a binding obligation of that party, enforceable according to its terms.


IN WITNESS WHEREOF, JOI and BTL have signed and executed this Agreement on the Effective Date by their authorized representatives, in duplicate.

TREBOR INDUSTRIES, INC.

By: 

Title: PW- / CEO

Dated: 4-18-2001

By: 
Robert M. Carmichael, Individually

Dated: 4-18-2001

JOHNSON OUTDOORS INC. dba Scubapro

By: _____
Joseph B. Stella

Title: President and General Manager

Dated: _____

Halcyon Manufacturing, Inc.

By: 

Title: President

Dated: 7-18-2001

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